

**TOWN OF TALOGA
TALOGA, OKLAHOMA**

**AGREED UPON PROCEDURES
AND ACCOMPANYING
AUDITOR'S REPORT**

**FOR THE YEAR ENDED
JUNE 30, 2022**



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Members of American
Institute of Certified
Public Accountants

Members of Oklahoma
Society of Certified
Public Accountants

Practitioner's Report on Applying Agreed-Upon Procedures

To the Specified Users of the Report:

Town Board, Town of Taloga
Taloga, Oklahoma

Trustees of the Taloga Public Works Authority
Taloga, Oklahoma

Oklahoma Office of State Auditor and Inspector
Oklahoma City, Oklahoma

We have performed the procedures enumerated below as defined within the applicable state laws of the State of Oklahoma solely to assist the Town and Public Works Authority in meeting its financial accountability requirements as prescribed by applicable Oklahoma law and evaluating compliance with specified legal or contractual requirements for the fiscal year ended June 30, 2022. Management of the Town of Taloga and the Taloga Public Works Authority are responsible for the Town's and Authority's financial accountability and its compliance with those legal and contractual requirements.

The Town of Taloga and the Taloga Public Works Authority has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of meeting its financial accountability requirements as prescribed in Oklahoma Statutes 11-17.105-.107 and 60-180.1-.3. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

Procedures and Findings

As to the Town of Taloga as of and for the fiscal year ended June 30, 2022:

- I. **Procedures Performed:** Prepare a schedule of changes in fund balances for each fund from the Town's trial balances and compare the schedule results to the statutory prohibition of creating fund balance deficits to report any noted instances of noncompliance.

Findings: See Exhibit I. No instances of noncompliance noted.

- II. **Procedures Performed:** Prepare a budget and actual financial schedule for the General Fund and any other significant funds listing separately each federal fund and compare the actual expenditures reported to the authorized appropriations to report any noted instances on noncompliance with the appropriation limitations.

Findings: See Exhibit II. No instances of noncompliance noted.

- III. **Procedures Performed:** Agree the Town's material bank account balances to bank statements and traced the timely clearance of significant reconciling items to report any significant or unusual instances of reconciling items that have not cleared.

Findings: No instances of noncompliance noted.

- IV. **Procedures Performed:** Compare the Town's uninsured deposits to fair value of pledged collateral to report any amounts of uninsured and uncollateralized deposits.

Findings: No instances of noncompliance noted. All deposits were insured or collateralized at June 30, 2022.

- V. **Procedures Performed:** Compare use of material-restricted revenues and resources to their restrictions to report any noted instances of noncompliance.

Findings: No instances of noncompliance noted.

- VI. **Procedures Performed:** Compare the accounting for the Town's activities by fund to the legal and contractual requirements for separate funds to report any noted instances of noncompliance.

Findings: No instances of noncompliance noted.

- VII. **Procedures Performed:** Compare the Town's account balances in reserve accounts to contractually required balances and debt service coverage requirements of bond indentures to the actual coverage to report any noted instances of noncompliance.

Findings: No such compliance requirements were identified that were applicable to the Town. No instances of noncompliance noted.

- VIII. **Procedures Performed:** For the grants received during the year, prepare a schedule of grant funds awarded, received, expended and the remaining balances. Compare the receipts and disbursements to grant agreements and supporting information to report any noted instances of noncompliance with the grant agreement.

Findings: See Exhibit V. No instances of noncompliance noted.

As to the Taloga Public Works Authority, as of and for the year ended June 30, 2022:

- I. **Procedures Performed:** Prepare a schedule of revenues, expenditures and changes in fund balance-cash basis from the Authority's trial balances and compare the schedule results to the statutory prohibition of creating fund balance deficits to report any noted instances of noncompliance.

Findings: See Exhibit III. No instances of noncompliance noted.

- II. **Procedures Performed:** Agree the Authority's material bank account balances to bank statements and traced the timely clearance of significant reconciling items to report any significant or unusual instances of reconciling items that have not cleared.

Findings: No unusual reconciling items were noted that did not clear on a timely basis.

- III. **Procedures Performed:** Compare the Authority's uninsured deposits to fair value of pledged collateral to report any amounts of uninsured and uncollateralized deposits.

Findings: No instances of noncompliance noted. All deposits were insured or collateralized at June 30, 2022.

- IV. **Procedures Performed:** Compare the Authority's use of material-restricted revenues and resources to their restrictions to report any noted instances of noncompliance.

Findings: No instances of noncompliance noted.

- V. **Procedures Performed:** Compare the accounting for the Authority's activities by fund to the legal and contractual requirements for separate funds to report any noted instances of noncompliance.

Findings: No instances of noncompliance noted.

- VI. **Procedures Performed:** Compare the Authority's account balances in reserve accounts to contractually required balances and debt service coverage requirements of bond indentures to the actual coverage to report any noted instances of noncompliance.

Findings: The Authority has outstanding debt with Rural Development. No instances of noncompliance noted.

- VII. **Procedures Performed:** Prepare a Balance Sheet for the Authority.

Findings: See Exhibit IV. No instances of noncompliance notes.

We were engaged by The Town of Taloga and the Taloga Public Works Authority to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and the additional requirements prescribed in Oklahoma Statutes 11-17.105-.107 and 60-180.1.-3. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, to meet the requirements prescribed in Oklahoma Statutes 11-17.105-.107 and 60-180.1.-3. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of The Town of Taloga and the Taloga Public Works Authority and to meet our ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the specified users, as identified above, and is not intended to be and should not be used by anyone other than those specified parties.



rsmeacham
CPA ADVISORS

Clinton, Oklahoma
December 16, 2022

rsmeacham
CPA ADVISORS

**TOWN OF TALOGA, OKLAHOMA
SUMMARY OF CHANGES IN FUND BALANCES - MODIFIED CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2022**

| | <u>Beginning of Year Fund Balance</u> | <u>Current Year Change</u> | <u>End of Year Fund Balance</u> |
|---------------------------------|---|------------------------------------|---|
| TOWN OF TALOGA, OK | | | |
| General Fund | * \$ 494,120 | \$ 43,130 | \$ 537,250 |
| Total Governmental Funds | <u>\$ 494,120</u> | <u>\$ 43,130</u> | <u>\$ 537,250</u> |
| ENTERPRISE FUNDS | | | |
| Public Works Authority | 377,709 | (7,093) | 370,616 |
| Total Enterprise Funds | <u>\$ 377,709</u> | <u>\$ (7,093)</u> | <u>\$ 370,616</u> |

* Includes prior period adjustment for combining funds and modified cash basis conversion.

Exhibit II-A

TOWN OF TALOGA, OKLAHOMA
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2022

| | Budgeted Amounts Original | Actual Amounts | Variance with Final Budget Positive (Negative) |
|--|------------------------------|-------------------|--|
| Beginning Budgetary Fund Balance: | \$ 425,376 | \$ 494,120 | \$ 68,744 |
| Resources (Inflows): | | | |
| Sales Tax | 32,864 | 33,148 | 284 |
| Sales Tax - Restricted Fire | 16,432 | 16,574 | 142 |
| Use Tax | 3,800 | 3,847 | 47 |
| Franchise Tax | 12,124 | 11,330 | (794) |
| Beverage Tax | 21,035 | 21,577 | 542 |
| Tobacco Tax | 408 | 406 | (2) |
| Gas Excise Tax | 519 | 522 | 3 |
| Motor Vehicle Tax | 2,339 | 2,321 | (18) |
| Grant Revenue - Fire | 4,763 | 4,763 | - |
| Grant Revenue - Other | 27,451 | 27,246 | (205) |
| Rental Income | 1,400 | 1,400 | - |
| Donation Income - Fire | 27,580 | 27,730 | 150 |
| Other Revenue | 7,100 | 15,098 | 7,998 |
| Total current year resources | 157,815 | 165,962 | 8,147 |
| Amounts available for appropriation | \$ 583,191 | \$ 660,082 | \$ 76,891 |
| Charges to Appropriations (Outflows): | | | |
| General Government: | | | |
| Personal services | 98,273 | 97,600 | 673 |
| Materials and supplies | 1,800 | 1,501 | 299 |
| Other charges and services | 50,000 | 48,708 | 1,292 |
| Total General Government | 150,073 | 147,809 | 2,264 |
| Fire Department: | | | |
| Personal services | 4,000 | 3,327 | 673 |
| Materials and supplies | 15,500 | 14,404 | 1,096 |
| Other charges and services | 16,500 | 18,734 | (2,234) |
| Capital Outlay | 4,200 | 3,659 | 541 |
| Total Fire Department | 40,200 | 40,124 | 76 |
| Street & Alley Department: | | | |
| Personal services | - | - | - |
| Materials and supplies | 1,000 | 394 | 606 |
| Other charges and services | 1,000 | 383 | 617 |
| Total Street & Alley Department | 2,000 | 777 | 1,223 |
| Parks Department: | | | |
| Personal services | - | - | - |
| Materials and supplies | 200 | 394 | (194) |
| Other charges and services | 500 | - | 500 |
| Total Parks Department | 700 | 394 | 306 |
| Total current year appropriations | 192,973 | 189,104 | 3,869 |
| Transfers Out (In) | (197,000) | (66,274) | (130,726) |
| Total charges to appropriations | \$ (4,027) | \$ 122,830 | \$ (126,857) |
| Change in Fund Balance | 161,842 | 43,132 | 118,710 |
| Ending Budgetary Fund Balance | \$ 587,218 | \$ 537,252 | \$ 187,454 |

Exhibit III

TALOGA PUBLIC WORKS AUTHORITY TALOGA, OKLAHOMA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE
- MODIFIED CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2022

Operating Revenues:

Charges for services:

| | |
|--------------------------|----------------|
| Water | \$ 103,690 |
| Gas | 112,260 |
| Sewer | 29,310 |
| Sanitation | 75,250 |
| Maintenance Fee | 26,697 |
| Grant income | 25,328 |
| Other | 23,161 |
| Total Operating Revenues | <u>395,696</u> |

Operating Expenses:

| | |
|--------------------------|----------------|
| Administration | 35,432 |
| Water | 90,902 |
| Gas | 126,300 |
| Sewer | 46,355 |
| Sanitation | 41,019 |
| Total Operating Expenses | <u>340,008</u> |
| Net Operating Income | \$ 55,688 |

Non-Operating Revenues/(Expenses):

| | |
|---|-----------------|
| Interest Income | 3,493 |
| Net transfers to/(from) General Fund | (66,274) |
| Total Non-Operating Revenues/(Expenses) | <u>(62,781)</u> |

| | |
|------------------------|------------|
| Change in fund balance | \$ (7,093) |
|------------------------|------------|

| | |
|--------------------------|----------------|
| Fund Balance - beginning | <u>377,709</u> |
|--------------------------|----------------|

| | |
|-----------------------|--------------------------|
| Fund Balance - ending | <u><u>\$ 370,616</u></u> |
|-----------------------|--------------------------|

TALOGA PUBLIC WORKS AUTHORITY, TALOGA, OKLAHOMA
BALANCE SHEET-MODIFIED CASH BASIS
JUNE 30, 2022

| | 2022 |
|--|-----------------------|
| ASSETS | |
| Current assets: | |
| Cash, including time deposits | \$ 423,644 |
| Due from General Fund | 1,424 |
| Grant receivable | 959 |
| Total current assets | <u>426,027</u> |
| Restricted assets: | |
| Cash, including time deposits | <u>164,008</u> |
| Total restricted assets | <u>164,008</u> |
| Non-current assets: | |
| Capital assets (net) | <u>219,025</u> |
| Total non-current assets | <u>219,025</u> |
| Total assets | <u>809,060</u> |
| LIABILITIES | |
| Liabilities, payable from restricted assets | |
| Accounts payable | 3,295 |
| Meter deposits payable | 21,425 |
| Notes payable, current | <u>40,880</u> |
| Total liabilities payable from restricted assets | <u>65,600</u> |
| Noncurrent liabilities: | |
| Notes payable, non-current | <u>226,142</u> |
| Total non-current liabilities | <u>226,142</u> |
| Total liabilities | <u>291,742</u> |
| FUND BALANCE | |
| Restricted for: | |
| CDs for Loans | 146,702 |
| Unrestricted | <u>370,616</u> |
| Total fund balance | <u>517,318</u> |
| Total liabilities and fund balance | <u>809,060</u> |

Exhibit V

TOWN OF TALOGA, OKLAHOMA
SCHEDULE OF GRANTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

| Grant revenue | Funding period | Project description | Award | Amount received | Amount expended | Receipts less expenditures |
|----------------------|----------------|---------------------|--------|-----------------|-----------------|----------------------------|
| Grant received from: | | | | | | |
| OWRB | 2022 | REAP | 25,900 | 25,328 | 25,328 | - |
| Dept of Agriculture | 2022 | Fire Grant | 4,763 | 4,763 | 4,763 | - |
| ARPA | 2022 | ARPA | 27,246 | 27,246 | - | 27,246 |
| | | Total | 57,909 | 57,337 | 30,091 | - |

See accountant's report.